(b) if so, what is the quantum of fine imposed and the details of the case;

(c) whether any inquiry has been ordered to fix the responsibility of the officials of the Bank in this regard. if not what are the rasons therefor; and

(d) whether Government propose to take steps to recover the fine from those officials who are responsible for colluding with the dealer?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes, Sir.

(b) Bank of Madura Limited had opened a few letters of credit on behalf of one Shri Vinod Kumar Didwania a dealer in steel items. The Collector of Customs, Madras on grounds of violation of Customs Act, 1962 had adjudicated the cases in respect of these transactions and ordered confiscation of the goods imported under section 111(d) of the Act. Since the supposed importers had not come forward to clear the goods the Collector of Customs, Madras allowed the same to be redeemed by the Bank of Madura Ltd. as joint holder of the import licences on redemption fines totalling to Rs. 7 lakhs. Central Board of Excise and Customs reviewed this decision of the Collector of Custmos Madras and had thereafter directed him to apply to Customs, Central Excise and Gold (Control) appellate Tribunal for enhancement of redemption fines and also for imposition of Personal Penalties on Shri Vinod Kumar Didwania and the Bank of Madura Ltd. The Customs, Excise and Gold (Control) appellate Tribunal allowed the appeals preferred by the Collector of Customs Madras and enhanced the total fine on Bank of Madura Ltd. from Rs. 7 lakhs to Rs. 35 lakhs and also imposed a penalty of Rs. 10 lakhs on Shri Vinod Kumar Didwania.

(c) and (d) The matter has been taken up with Reserve Bank of India.

Loss to FCI due to poor storage of Foodgrains

936. SHRI SHANKER SINH VAGHELA: Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state:

(a) whether the Food Corporation of India has been incurring losses due to the open storage/poor storage of fodgrains;

(b) if so, the extent of loss incurred during the years 1982-83, 1983-84 and 1984-85 as a result thereof; and

(c) what steps Government have taken or propose to take to avoid such losses?

THE MINISTER OF STATE FOR PLANNING, FOOD AND CIVIL SUPPLIES (SHRI AJIT PANJA): (a) Yes, Sir.

(b) The total storage loss of foodgrains during the years 1982-83, 1983-84 and 1984-85 has been to the extent of 0.65 per cent, 0.59 per cent and 0.60 per cent of the stocks issued respectively.

(c) The Government has taken a number of steps to further reduce these losses such as increasing covered storage capacity, scientific storage and preservation, periodial inspections and pest control measures.

Ban on import of meat by certain countries

937. DR. MOHD. HASHIM KIDWAI: Will the Minister of COMMERCE be pleased to refer to the answer to Unstarred Question 2247 given in the Rajya Sabha on the 10th December, 1985 and state:

(a) what progress has been made in persuading the Governments of

Kuwait and Saudi Arabia in lifting the ban on the import of mutton and buffalo meat from India; and

(b) the loss in foreign exchange suffered till December, 1985 as a result thereof?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): (a) The Kuwait authorities have been requested to send a delegation to see the measures taken in India for export of quality meat and withdraw the ban on import of mutton and buffalo meat from India. In case of Saudi Arabia the ban is on import of buffalo meat only. It is proposed to take up the issue during the next meeting of the Indo-Saudi Joint Commission.

(b) Exports of buffalo meat to these countries have registered a decline. However, it is not possible to quantify the loss.

Kandla Free Trade Zone

938. SHRI VITHALBHAI MOTIRAM PATEL: Will the Minister of COMMERCE be pleased to refer to the answer to Unstarred Question 384 given in the Rajya Sabha on the 19th November, 1985 and state the progress made in the matter of setting up of a Central Authority to govern the Kandla Free Trade Zone and also other Export Processing Zones in the Country?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): For developing an optimal model for the Authority for export processing zones in India, experience of some of the zones in other countries has been ascertained and consultations held with agencies involved in the development of the zones in India. In the light of experience gained, various options have been evaluated for the organisation and structure of the Authority to be examined by concerned Ministries and Departments.

Trade agreement with USSR

939. SHRI R. SAMBASIVA RAO: Will the Minister of COMMERCE be pleased to state:

(a) whether any agreement has recently been signed between India and the USSR to boost up trade; and

(b) if so, what are the details in this regard?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): A Trade Agreement allowing the rupee payment system between India and the Soviet Union to continue from 1st January, 1986 to 31st December, 1990 was signed on 23rd December, 1985. The salient features of the Trade Agreement which would help in the promotion of bilateral trade are given below:—

(1) All payments of commercial and non-commercial nature between India and the USSR will be effected in non-convertible Indian rupees. The trade will be conducted in such a way as to get balanced over a period of time;

(2) The Trade Agreement will be renewed automatically for subsequent periods of five years at a time, unless either party gives a written notice at least six months in advance to the other of its intenion to modify the Agreement;

(3) Both the Government have agreed to accord each other most-favoured-nation treatment with respect to imports and exports, custom duties and other taxes and charges connected with imports and exports;

(4) Both Governments shall facilitate each other's participation in trade fairs and exhibitions held in either country;

(5) With a view to further promoting and diversifying trade and economic cooperation, the two Governments have agreed to encourage